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YUGOSLAV BUDGETS FOR 1949 AND 1950

COMPARISON OF BUDGETS

Finansije
 No 1/2, Jan/Feb 50

Revenues and Expenditures

According to the report of the Minister of Foreign Trade of 26 December 1949, the 1948 national revenue amounted to 137,700,000,000 dinars, or 6,700,000,000 dinars more than the plan called for. For that reason, the surplus of revenue over expenditures was increased by about 700 million dinars more than was originally planned.

On the basis of data on the completion of the budget during 11 months of 1949, the 1949 national revenue plan of 161,900,000,000 dinars is expected to be fulfilled by 163,500,000,000 dinars, i.e., by 101 percent or 1,600,000,000 dinars more than the plan called for.

The revenue will be realized in the following manner:

Revenue from economy - 106,900,000,000 dinars or 99.4 percent

Revenue from population - 24,300,000,000 dinars or 98.5 percent

Revenue from institutions and government agencies - 2,100,000,000 dinars or 64.7 percent

Other revenue - 14 billions or 126.1 percent

Revenue surplus - 16,200,000,000 dinars or 104.5 percent

Total - 163,500,000,000 dinars or 101.0 percent

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By 20 December, the 1949 federal revenue plan was completed by 94.5 percent, while the republics completed their 1949 revenue plan by 20 December 1949. Slovenia surpassed its revenue budget by 23 percent, Croatia by 7.6 percent, and Bosnia and Herzegovina by 5 percent. On 10 December, Macedonia had completed its 1949 local-revenue plan by 100 percent.

The 1949 expenditure budget will be completed by 90 percent, i.e., the federal expenditure budget by about 88 percent, while the republics, expenditure budgets, with the exception of Bosnia and Herzegovina, will be completed in their entirety. In this way, a surplus of 14 to 16 billion dinars between realized revenues and expenditures will be created. Of this surplus, the government intends to transfer 8 billion dinars to 1950, and to use the remainder for paying its debts to the National Bank.

The 1949 expenditures will be 155,500,000,000 dinars, or 96 percent of the plan. The expenditures will be broken down in the following manner:

1. Budget investments and other financing of the economy (including the completion of working facilities and planned losses) will be 50,100,000,000 or 97.9 percent.
2. Budget investments for the social standard (together with local and some unplanned investments, 23,700,000,000 dinars, or 90.4 percent
3. Expenditures for education and culture, 8,610,000,000 dinars or 99.8 percent.
4. Expenditures for health and social welfare, 21,190,000,000 dinars, or 95 percent.
5. Expenditures for national defense, 23,550,000,000 dinars or 99.2 percent.
6. Expenditures for government administration, 14,615,000,000 dinars or 98.6 percent.
7. Reserves and obligations, 13,700,000,000 dinars or 99.5 percent

In 1949, Yugoslavia invested about 15 billion dinars more than in 1948 for construction, and 5,500,000,000 dinars more for education and culture and for health and social welfare. In 1949, 17 billion dinars more turnover tax were collected than in 1948, which shows an increase of 37 percent in the accumulation from production. One billion dinars more profit were collected from the socialist sector of the economy in 1949 than in 1948.

The retail goods turnover, excluding the hotel business and the free market, increased by 14 percent in 1949 as compared to 1948, and the cash turnover increased by 12 percent.

The increase in the turnover of goods between 1948 and 1949 is as follows:

	<u>Turnover of Goods</u> (dinars)	<u>Index</u>	<u>Cash Turnover</u> (dinars)	<u>Index</u>
Dec 46	42,671	100	20,500	100
Dec 47	60,017	140.7	29,492	143.9
Dec 48	87,439	201.9	39,382	192.1
Dec 49	99,549	233.3	44,295	216.0

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For the operation of enterprises, the government approved 30,100,000,000 dinars of short-term credit in 1947, 63,300,000,000 dinars in 1948, and 75,600,000,000 dinars in 1949.

In 1948, short-term credits to the economy increased over 100 percent while in 1949, despite the general increase in production of about 30 percent they increased by only 19.4 percent.

Noncash turnover now comprises 92 percent of the total turnover of the socialist sector, including cooperatives.

In 1947, cooperatives used 2,900,000,000 dinars of short-term credits, while in 1949 they used 12 billion dinars. However, the 1949 investment credit of 6,500,000,000 dinars has not been used effectively by the cooperatives.

The following data show how much money was saved by workers between 1946 and 1949:

1946	761 million dinars or 100 percent
1947	1,415,000,000 dinars or 185.9 percent
1948	1,632,000,000 dinars or 214.5 percent
1949	1,956,000,000 dinars or 257 percent (until 10 Dec 1949)

As of 10 December 1949, 6,765 savings accounts were opened in state institutions, establishments, and cooperatives. During Savings Week in 1949, 369,957 new accounts, totaling 200 million dinars, were opened in Yugoslavia.

An average increase of 13 percent in production is expected in 1950 and a total increase in local production of 18 percent as compared to 1949. Total investments will be increased by 1,500,000,000 dinars or by 9.7 percent, as compared to 1949, and will amount to 89,300,000,000 dinars, i.e., 87,800,000,000 dinars after the planned deficit is deducted. The 1950 investments will amount to 27.1 percent of the total planned national revenues in 1949.

The following table shows the comparison of the 1950 national revenue plan with that of 1949, in dinars:

	Approved in 1949	Proportion (%)	Suggested 1950 plan	Proportion (%)	Increase (%)
Revenue from economy	107,384,000,000	66.3	129,707,118,000	74.6	128.8
Revenue from population	24,614,400,000	15.2	20,110,500,000	11.6	81.7
Revenue from institutions and government agencies	3,248,000,000	2.0	3,928,382,000	2.3	120.9
Other revenue	11,151,198,000	6.9	12,000,000,000	6.9	107.6
Revenue surplus	15,555,000,000	9.6	8,000,000,000	4.6	51.4
Total revenues	161,952,598,000	100.0	173,746,000,000	100.0	107.3

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The following table shows the increase in the budget and turnover tax between 1947 and 1950:

	<u>Budget</u>	<u>Index</u>	<u>Turnover Tax</u>	<u>Index</u>
1947	85,854.0	100	26,850	100.0
1948	124,841.3	145	46,000	171.3
1949	161,952.5	189	67.449	251.2
1950	173,746.0	202	76.775	285.9

The turnover tax and the rest of the revenue from the economy cover 74.6 percent of all expenditures in 1950.

The 1948 taxes on agricultural families were distributed as follows:

<u>No of Families</u> (%)	<u>Income</u> (%)	<u>Tax</u> (%)
47.67	17.34	5.26
35.97	38.73	21.03
10.11	19.72	18.77
6.25	24.66	54.94

The following data show the comparison between the 1949 and the 1950 state budget expenditures.

	<u>1949</u>	<u>Proportion</u> (%)	<u>1950</u>	<u>Proportion</u> (%)	<u>Increase</u> (%)
Investments for capital construction and other financing of economy	51,195,000,000	31.6	55,486,400,000	31.9	108.4
Investments for social standard	26,205,000,000	16.2	21,729,900,000	12.5	82.9
Education and national culture	8,625,809,000	5.3	13,769,329,000	7.9	159.6
People's social health in- surance	22,305,398,000	13.8	23,391,469,000	13.5	104.9
National de- fense	25,000,000,000	15.4	28,000,000,000	16.1	112.0

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	1949	Proportion (%)	1950	Proportion (%)	Increase (%)
State administration, trials and prosecution	14,850,991,000	9.2	15,422,054,000	8.9	103.8
Reserve funds of government -- obligations and reserves	13,770,400,000	8.5	15,951,848,000 [sic]	9.1 [sic]	115.8
Total expenditures	161,952,598,000	100.0	173,746,000,000	100.0	107.3

Education

The number of general schools increased from 13,286 in 1949 to 14,216 in 1950, general educational schools for workers from 89 to 144, boarding schools within the sphere of general educational, pedagogical and art schools from 298 to 408, art schools from 117 to 135, intermediate trade schools from 258 to 297, and professional schools and universities from 49 to 54. In 1950, there will be 52,000 students, of whom 32,000 will be fed in refectories and mess halls. The number of academies will increase from 10 in 1949 to 18 in 1950, of scientific institutions from 86 to 99, and of cultural and artistic institutions from 209 to 248.

Health and Social Welfare

The following 1950 expenditures are listed under the category of health and social welfare:

One hundred fifty million dinars for the care of newborn children of blue- and white-collar workers, 133 million dinars for feeding the children of blue- and white-collar workers, 110 million dinars for assistance given to mothers and children of blue- and white-collar workers, 923 million dinars for an increase in the permanent children's bonus, 614 million dinars for school kitchens, 620 million dinars for children's nurseries and kindergartens, and 400 million dinars for children's homes and resorts, as well as for special homes for handicapped children.

Republic Budgets

The general state budget for 1950 is 7.3 percent greater than in 1949, the federal budget is 7.5 percent smaller, and the republic budgets are 45 percent greater.

The following table shows the increase in all 1950 republic budgets as compared to 1949:

	Percent
Investments for capital construction and other financing of the economy	288.5
Investments for social standard	123.0

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	<u>Percent</u>
Education and national culture	149.5
Social health insurance (125% increase over actual realization in 1949)	104.0
State administration	107.4
Budget reserve	48.0
Total	144.5

The total increase in the 1950 budgets, according to individual republics, as compared to 1949 is as follows: Serbia 45 percent, Croatia 39 percent, Slovenia 37 percent, Bosnia and Herzegovina 46 percent, Macedonia 69 percent, and Montenegro 32 percent.

The federal government guarantees 500 million dinars, partly in investments and partly in the reserve fund, to Croatia and Slovenia for aid to newly liberated areas.

CONSTRUCTION BUDGET

Nase Gradjevinarstvo
No 1, Jan 50

In his recent report on the federal construction budget, Vlado Zecevic, Federal Minister of Construction, stated that the 1950 budget for capital construction and the social standard amounts to 49,562,000,000 dinars.

In 1948, 164 percent more construction took place in Yugoslavia than in 1947, while in 1949, 207 percent more construction was done than in 1947.

In 1947, 13.7 percent of the Five-Year Construction Plan was completed in 1948, 19.6 percent, and in 1949, 24.5 percent. In 1950, 30 percent more of the Five-Year Plan is to be completed. This means that in 1951 only 12 percent of the Five-Year Plan will remain to be completed.

The 1949 construction plan according to norm hours was completed by 96 percent.

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